38th Institute of Small Business and Entrepreneurship Conference

11th Nov 2015-12th Nov 2015

Glasgow, UK

Entrepreneurship in the Music Industry of three Sub-Saharan African Countries

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Abstract

Objectives:

The creative industries even though have long been recognised as a significant contributor to the economies of developed countries, they have been neglected in entrepreneurship research in developing countries. The aim of this paper is to investigate the characteristics, challenges and opportunities in the music industry in three sub-Saharan African countries.

Prior Work:

It is estimated that the creative industry that was growing annually at 5% in the early 2000s is expected to triple in growth globally by 2020. In both developed and developing countries, music remains one of the most significant of the creative industries. Music in the contemporary world generates billions of pounds in revenues for composers, performers, publishers, record companies and many others. Nonetheless, there has been a lack of empirical studies on activities of entrepreneurs in the music industry in developing countries. This paper therefore aims at filling this gap by investigating the characteristics, challenges and opportunities in the music industry in the three sub-Saharan African countries.

Approach:

A collection of data from a survey of music entrepreneurs in Ghana, Malawi and Tanzania with the aim of understanding the challenges, characteristics and opportunities available to creative entrepreneurs in the music industry in the sub-Saharan African continent.

Results:

The survey showed that the majority of musicians in the three countries are younger, on aggregate have higher levels of education and the overwhelming majority of firms in the industry were micro or small, young, sole proprietorships and operate in the informal sector. However, we also found that the entrepreneurs were faced with a number of challenges notably copyright issues, inflation, lack of access to formal sources of capital and funding, lower customer demand, inability to digitise music, competition, corruption, and lack of marketing and marketing support. Notwithstanding these challenges, the potential for growth and profitability in the industry were acknowledged by the entrepreneurs and this was confirmed by respondents' willingness to invest in their businesses.

Implications:

Researchers may draw on this exploratory research to understand the nature of the music industry in other sub-Saharan African countries. Public policy and the donor community can draw on the identified challenges and address them to promote entrepreneurship in the industry. Entrepreneurs should be aware of the challenges in the industry and adopt a marketing orientation while exploiting the opportunities available through social media to promote their images and businesses.

Value:

This study fills a major gap in the literature by providing insights into entrepreneurial activities in the sub-Saharan African music industry. In particular, we provide an empirical comparative study on this important industry in sub-Saharan Africa.

Keywords: Creative industries, music, entrepreneurship, innovation, Africa

Introduction

This paper sets out to investigate the characteristics, challenges and opportunities within the music industry in three sub-Saharan African countries. The study draws on entrepreneurship theories to explore and understand the activities of entrepreneurs in the music industry in Ghana, Malawi and Tanzania.

It is estimated that the creative industry which was growing annually at 5% in the early 2000s is expected to triple in growth globally by 2020 (Howkins, 2001). In both developed and developing countries, music remains one of the most significant of the creative industries. Music in the contemporary world generates billions of pounds in revenues for composers, performers, publishers, record companies and many others (Thorsby, 2002; IFPI, 2015), therefore the sector impacts on the economies of both developed and developing countries.

Even though the music industry is dominated by large firms that produce and distribute recorded music, there are a significant number of small, medium and young firms in the industry (Wilson and Stoke, 2005; Power and Hallencreutz, 2007). Not surprisingly, the music industry has proved to be a major source of job creation and economic rejuvenation of communities. The case of Nashville in USA presents an enterprise model that shows how the music industry can serve as a tool that alleviates poverty and transform the local economy from poverty to billions of dollars in income annually (Sanjek, 2001). Particularly, the Nashville model also shows the importance of an integrated approach to the music industry. Particularly, it shows that the presence of relevant institutions, economic structures and policies allow entrepreneurship to flourish within the music industry. The Nashville enterprise model presents important lessons on the opportunities for the music industry in sub-Saharan Africa. Interestingly, some African artists have experienced an exponential growth in sales in Western markets particularly in France (Seligman, 2001). In spite of the tremendous opportunities in the music industry, there are also a number of challenges that constrain the development of the industry in sub-Saharan Africa. For example, there is a lack of the necessary infrastructure that can stimulate growth in the industry (Sanjek, 2001). Notably, there has been a lack of empirical studies on the music industry sub-Saharan Africa and not surprisingly, very little is known of the sector's contributions to the region's economies due to lack of hard data and information (Seligman, 2001). This is particularly surprising since the industry continues to register growth through substantial sales globally (IFPI, 2015). This paper therefore aims to provide empirical evidence by investigating the characteristics of musicians and the challenges and opportunities faced by entrepreneurs in the music industry in the three sub-Saharan African countries.

This study addresses the main research question: *What is the nature and prospects of the music industry in sub-Saharan Africa?* In order to answer the main research question, the following three sub question would be answered:

RQ 1: What are the profiles of entrepreneurs and businesses in the music industry?

RQ2: What are the challenges faced by entrepreneurs in the music industry?

RQ3: What are the opportunities available to entrepreneurs in the music industry?

The findings reported in this paper draw on an analysis of entrepreneurship literature and existing industry and academic literature on music and on the sub-Saharan African market. The empirical study uses a survey for the collection of data from music entrepreneurs in Ghana, Malawi and Tanzania.

This study draws on entrepreneurship theories that emphasize the ability of entrepreneurs to mobilize resources as key to entrepreneurial behaviour (Shane and Venkataraman, 2000). We contribute to the literature by showing that the majority of musicians in the three countries are younger, on aggregate have higher levels of education and the overwhelming majority of firms in the industry were micro or small, young, sole proprietorships and operate in the informal sector. We also show a number of challenges notably copyright issues, inflation, lack of access to formal sources of capital and funding, lower customer demand, inability to digitise music, competition, corruption, and lack of marketing and marketing support. Notwithstanding these challenges, the potential for growth and profitability in the industry were acknowledged by the entrepreneurs and this was confirmed by respondents' willingness to invest in their businesses. These findings have implications for theory development, practice and policy.

The paper is structured as follows: section two examines the literature on the challenges and opportunities in the music industry. Section three presents the methodology. Section four reports the findings and in section five we discuss the findings and then conclude the study.

Challenges and Opportunities Faced by Entrepreneurs within the Music Industry

World music as a commercial activity has been dominated by the big five namely Universal, Sony, Warner, EMI and BMG for quite some time now (Buck and Burt, 2004b). However, the music industry is predominantly made up of SMEs comprising individual performers and groups. One of the key questions that remain however is whether musicians regard themselves as entrepreneurs.

Challenges in the Music Industry

The old methods and processes of creating value in the music industry have given way to new ones due to what Amit and Zott (2001:497-498) describe as “risky initiatives and entrepreneurial insights in uncertain and complex environments”. Hence, the processes for the production and distribution of music had been arguably “creatively destroyed” (Schumpeter, 1942). The production of a piece of music from the point of creation by the artist to its purchase by the consumer was a very expensive process that involved a wide variety of skills set from a number of people (Dobie, 2001;). Nonetheless, traditionally the distribution of an album could recover the enormous costs due to copyright rules (Frith, 1988). A copyright is defined as “the exclusive and assignable legal right, given to the originator for a fixed number of years, to print, publish, perform, film, or record literary, artistic, or musical material” (Oxford Advanced Learner’s Dictionary, 2015).The evolution of copyright rules allowed the methods of production and the underpinning structure and process of the music industry to be stable from about 1945 to the 21st century (Frith, 1988). Copyright was introduced by different governments at different times. For example, in the UK the Copyright, Designs and Patent Act (1988) offers protection for sound recordings. The enforcing government regulates the idea or information by granting exclusive rights for its use for a specified period of time. Copyright offered exclusive rights for the copying and distribution of recordings and therefore offered a form of monopoly to the author such as composer, lyricist or record companies (Lewis et al. 2005). In effect, copyright secures ownership of an original work of music to the author (e.g. composer and lyricist).

The exclusive rights are given and enforced by governments. In the music industry copyright acts as a form of intellectual Property (IP) that covered musical works and sound recordings (Dobie, 2001; Lewis et al, 2005). Typically the recording contract requires an artist to produce a specific type of work such as singles, albums and tours for a defined period of time in exchange for an amount of money. Even though the copyright system provided the artist with ‘creative space’ and access to facilities (Dobie, 2001), critics argue that copyright enforces the interests of publishers who seek an extension of their own interests (Frith, 1988);

it therefore offered unequal rewards to the actors in the music industry (Kretschmer, 2005). In contrast the rules of fair use or in the UK 'fair dealing' however, make it possible to use quotations or excerpts from published work provided that the source and name of author are mentioned.

Historically, there had always been issues with the ability to balance copyright with fair use. However, the advent of new technologies particularly the internet and compression technologies that are freely available has rendered the enforcement of copyright rules problematic due to an increase in public access to IP products via fair use. The widespread piracy through CDs and internet-enabled peer-to-peer sharing of music has put the music industry under threat (Lewis et al, 2005). This threatens the rewards of copyright holders and thereby the traditional institutions involved in the reproduction and distribution in the music industry. Bilton (2007:53) therefore advocates for the reorientation of the value chain of creative products such as music by devolving power and responsibility to the consumer, redefining the meaning and value of the products that are sold rather than pursuing simple disintermediation. Recently, some studies in Canada (Andersen and Frenz, 2007), America (Gopal et al., 2006) and Japan (Tanaka, 2004) have already suggested that illegal downloads do not have any significant effect on sales. Instead the download and sharing of music offer opportunities as they enhance the buying of music in the long run (Brown et al, 2001; Mathews 2005).

Opportunities in the Music Industry

In spite of the seemingly overwhelming challenges facing the music industry, there are opportunities that could also be explored. In 2014 digital music sales were US$6.9 billion representing 46 percent out of the overall global revenue of US$14.97 billion (IFP1, 2015). The digital music sales confirm that even though the internet altered the value chains of industries and changed the traditional operations between organisations, customers and suppliers), it has also served as a tool for the development and delivery of new products and services to new customer segments (Janson and Mansell, 1998). The use of digital channels allow actors such as musicians to overcome traditional barriers such as geography and time zones to link up with a wider audience (Ryan and Jones, 2009). Particularly, the digitization of music and the use of social media such as Instagram, YouTube, Twitter and Facebook offers opportunities to the music industry. Musicians can therefore use these social media to target niche markets and also make their music available to the world.

Music Industry in Africa

In sub-Saharan Africa, music is noted to be one of the industries that directly impacts on the quality of life as it serves as a key source of joy and fulfilment to the population (Sen, 2001). In domestic markets it promotes tourism, hospitality and retail sectors and also serves as a bridge that binds conflict and poverty ridden societies together. It also opens new foreign markets to tourism in Africa (Ambert, 2003). It could therefore be argued that the internationalisation of SMEs in the music industry could offer a potential source of economic growth in sub-Saharan African economies (Collier, 2001). Schultz and Gelder(2008) also , portray a bright picture on the African music industry by highlighting that the continent abounds in creative talent due to a diverse, well-loved and constantly evolving sector. Furthermore since the music sector relies on less sophisticated infrastructure and is less capital intensive, the potential for the industry to enhance economic development remains immense. However, the music industry also faces a number of challenges including the existence of weaker institutions characterised by lack of copyright enforcements and corruption (Fafchamps, 2004; Amoako and Lyon, 2014). In the face of these challenges it is not surprising that Africa's popular musicians have taken to the streets in countries such as Ghana, Ethiopia, Kenya, Uganda, Botswana and Swaziland to demonstrate against the failure of the legal systems of their countries to enforce copyright laws and protect them (Schultz and Gelder, 2008).

In this paper we focus on the sectors that are closely related to recorded music. We therefore examine entrepreneurial characteristics, challenges and opportunities related to the recording and sales of both physical and digital records. The respondents comprised of musicians and CEOs of: record companies, distribution firms and music retail chains in the three countries. The next section will present the methodology of the study.

Methodology

This study focuses on the music industry in the Sub-Saharan African countries of Ghana, Tanzania and Malawi. The three countries were all British colonies; therefore their legal systems have evolved from the same legal structure. In terms of economic development these countries are all categorised as developing economies. Tanzania and Malawi are classified as low income countries (GNI per capita=< £668.54). Malawi has the least income of the three with a GNI per capita of £174. Tanzania has a GNI per capita of £556. On the other hand, Ghana is classified as a lower middle income country with a GNI per capita of £1143 (World Bank, 2014). Hence, the similarities of their legal systems and economic environments might to an extent have similar influences on the opportunities and challenges which entrepreneurs in the three countries face.

With this external environment in mind, this study therefore aims to explore the nature and prospects of the music industry in these Sub-Saharan countries.

Sample and data collection

This is a cross-sectional study of small businesses operating in the music industry of the three nations. Survey research, a staple quantitative data collection tool used in small business and entrepreneurship (Brush et al., 2008; Halabi and Lussier, 2014) has been used. The respondents included composers, singers, dancers, promoters, producers, disc jockeys, music publishers distributors, record labels, an agent and a talent manager. The respondents were identified through music associations in the three countries, or by approaching the business owners at their business locations. The questionnaire was administered face to face yielding 52 filled-in questionnaires from Malawi, 62 from Tanzania and 67 from Ghana. Since this is an exploratory study it was appropriate to include a wide range of industry players to identify the nature of entrepreneurial activities of businesses in the industry. The sample included businesses that had less than 25employees.

Measurement

The motivation of this study was to explore and describe the characteristics, challenges and opportunities of entrepreneurs in the music industry in the three countries. On the characteristics, the questionnaire sought information on both the characteristics of the respondent (i.e. gender, age, marital status, level of education, and activities prior to music career) and that of the firmThe characteristics of the firms included age of the firm, area of music industry, number of employees, form of ownership, registration status, number of years in trading, type of music and the level of international and local sales.

Ability to identify opportunity, risk taking and the mobilisation of resources despite apparent limitations are some of the main traits of entrepreneurial behaviour (Burns, 201; Shane and Venkataraman, 2000). In order to assess entrepreneurial behaviour, basing on previous relevant academic literature, statements were developed to identify the profiles of the entrepreneurs and their perception of opportunity and challenges. The role of institutions is critical to entrepreneurial success of businesses in all countries (Welter and Smallbone, 2011; Amoako and Lyon, 2014); hence the questionnaire included items measuring the entrepreneurs perceived level of support from government and institutions which cater for the music industry. These statements were measured on a Likert scale of 1 to 5. Lastly, the respondents were also asked to describe what they perceived to be the main success and limitation factors in the industry.

While it is typical for entrepreneurship journals to favour replication of studies (Gamboa and Brouthers, 2008), and tested scales, the statements developed in this study are not purported to be tested items measuring the constructs as such, but are rather included here for exploratory purposes. This should help to identify entrepreneurship in the music industry in developing countries. In addition, this study is not seeking to confirm relationships, but rather to present a profile and pattern of entrepreneurship in the three sub-Saharan countries.

Data analysis

Characteristics of entrepreneurs in the music industry and their businesses

a) ***Entrepreneurs' profile***

The study of entrepreneurs within the music industry in Ghana, Malawi and Tanzania involved a sample of 178 respondents comprising 55% males and 38% females (see Table 1).

Table 1: Respondent's country and their gender

Country	Male	Female	Missing	Total
Ghana	31	23	12	66
Malawi	31	20	0	51
Tanzania	36	25	0	61
Total	**98**	**68**	**12**	**178**

Table 2 shows that most of the entrepreneurs within the music industry were found to be of young age. Half of the entrepreneurs 50% of the sample were aged between 21 to 30years old only 5% of the study respondents were above 61 years old. This spread of age groups was very valuable and provided an opportunity for researchers to gauge the experiences of both young and old musician entrepreneurs.

Table 2: Respondent's country and their age groups

Country	<20yrs-20yrs	21-30yrs	31-40yrs	41-50yrs	51-60yrs	Missing	Total
Ghana	9	36	9	0	0	12	66
Malawi	7	23	15	5	1	0	51
Tanzania	0	30	8	16	7	0	61
Total	**16**	**89**	**32**	**21**	**8**	**12**	**178**

From the sample surveyed 49% of respondents were found to be single, followed by 29% who were married, this demographic distribution might suggest that entrepreneurs in this industry tend to be young and single.

In terms of respondents' level of formal education, the results showed that most musicians are well educated, particularly in Ghana. 32% of the respondents were found to have attained their ordinary secondary school certificates. This was followed by 24% of the sample with University degree and 15% having advanced or post-secondary education certificates. Lastly, 11% of the respondents had attained only their basic primary school education certificates and 6% of musician entrepreneurs had attained an even higher than university bachelor degree. Ghana was found to have large number of university graduates and post graduate degree holders working within the music industry, see Table3.

Table 3: Respondent's country and their highest attained level of formal education

Level of formal education	Ghana	Malawi	Tanzania	Total
No formal education	6	2	0	8
Primary school	0	5	15	20
Secondary school	3	19	35	57
Post-secondary education	3	15	8	26
Bachelor's degree	32	8	3	43
Higher than bachelor's degree	10	1	0	11
Missing	12	1	0	13
Total	**66**	**51**	**61**	**178**

Prior to being in the music industry, 49% of respondents were unemployed, followed by 16% who used to be housewives and 22% who were employed. Over all, most of the respondents (54%) were found to have acquired their initial capital from their family and friends (see Table 4). This was followed by 28% of respondents who were found to have bootstrapped their start-up activities. Apart from majority of respondents being found to have received their initial source of funding for their start-up from family and friends, the study also showed that 13% of entrepreneurs within music industry had their initial source of support from their informal social networking groups and this form of financing start-up was found to be more common among music entrepreneurs from Tanzania and Malawi. In contrast, majority of Ghanaian music entrepreneurs were found to have their start-up capital from family and friends with less use of informal social networking groups in accessing loans or start-up capital.

Table 4: Respondent's source of capital for start-up

Initial source of capital	Ghana	Malawi	Tanzania	Total
Personal savings	9	17	24	50
Family	30	14	24	68
Friends	15	9	0	24
Social networking groups	0	2	0	2
Informal loans from informal networks	0	8	13	21
Missing	12	1	0	13
Total	**66**	**51**	**61**	**178**

b) Characteristics of the firm

This study also explored the characteristics of the firms. Respondents were asked how old their music businesses were. Interestingly, , of all the study respondents from three countries of Sub-Saharan Africa, only 39% were found to have formally registered their business activities with majority of 61% operating without having any form of formal registration and hence showing that majority of firms are in the informal sector. With regards to the age of the firms only 10% of the study respondents were found to have been active in music business for less than one year. While 33% of respondents have been working in the music industry for the period between 1 to 5 years, about 37% had been in the music industry between 6 to 10 years see Table 5. Half of entrepreneurs within the music industry were singers (50%) followed by 14% being retail distributors, 11% being producers while, the remaining were composers, dancers, disco jockey and promoters see Table 6.

Table 5: Respondent's trading period

Trading period	Ghana	Malawi	Tanzania	Total
Just a month	8	0	0	8
<1year	1	10	3	14
1-5years	19	22	21	62
6-10years	26	10	17	53
11-15years	0	6	13	19
16->16years	12	1	7	20
Missing	0	2	0	2
Total	**66**	**51**	**61**	**178**

Table 6: Specialisation of respondents' area of operation within music industry

Area of Specialisation	Frequency	Percent
Composer	14	7.9
Singer	89	50.0
Dancer	10	5.6
Promoter	7	3.9
Producer	19	10.7
Agents	1	.6
Disco jockey	7	3.9
Music publishers	2	1.1
Record label	3	1.7
Talent manager	1	.6
Distributors	25	14.0
Total	**178**	**100.0**

With regards to the areas of specialisation, the findings show that 50% (see Table 6) of respondents were found to be singers and 28% of them sing gospel music, 20% R&B and 5% reggae musicians. However, only 12% were singing and performing only local music while 24% combined singing and performing both local and foreign music.

Table 7: Respondents forms of business ownership

Form of business ownership	Ghana	Malawi	Tanzania	Total
Self employed	10	25	30	65
Sole owner	46	10	26	82
Joint proprietorship	10	8	2	20
Ltd company	0	0	3	3
Other	0	3	0	3
Missing	0	5	0	5
Total	**66**	**51**	**61**	**178**

In terms of legal status, Table 7 shows that nearly half (46%) of the study respondents were sole owners. This was followed by 11% being registered as joint proprietor ships. Among the sample, only two percent of respondents were found to have registered as limited companies.

In terms of employees about 16% of respondents were found to have been assisted by their spouses and 7% being assisted by their own children, while 25% of respondents have assistance from their friends. These were followed by 15% of the study respondents who were found to have been receiving some support in their music activities from their relatives and extended family members.

This study also revealed that within the sub-Saharan African music industry, 40% of the entrepreneurs especially those who are musicians (singers), sell 51% to 65% of their music products to the domestic market. 20% of other players (i.e.distributors, music engineers record labels, music promoters etc.) who are not singers within the industry were found to receive 65% of their income from domestic sales. Interestingly, when respondents who were musicians from the three counties were asked to state the percentage of their music that was sold to foreign markets, nearly half (47%) of them were found to have never sold any of their music products to any foreign markets. This perhaps explains the lower turnovers of the entrepreneurs as only 38% of the respondents were found to have had their turnover of up to USD 5000 while 27% of respondents had their turnovers above USD 5001.

3) Opportunities and Government assistance

Under this section, we went on exploring for perceived opportunities to businesses within the music industry in the sub-Saharan countries. This was hand in hand with an examination of perceived challenges and any available assistance provided by each country’s government to their respective music industry.

Table 8: Perception of opportunity in the music industry as observed in each country

Perception of opportunity by country	Potential profitability	Potential sales
Ghana	83%	73%
Malawi	65%	60%
Tanzania	98%	98%

Ability to identify opportunity is one of the key characteristic of entrepreneurs (Burns, 2011). Hence in this study it was of interest to identify whether the respondents perceived a presence of opportunity in their industry. Respondents were asked to what extent they perceived there was potential for profitability and growth in sales in their business in their respective countries. Overall, 80 % of the respondents from all the three countries were of the view that there is potential for both profitability and sales in this industry. An analysis of cross-country data shows that Tanzanians perceived the highest opportunity in both sales and profitability in the music industry, with 98% of the Tanzanians having this perception. Over 70 % of respondents in Ghana thought this industry was both profitable and had potential for sales growth. On the other hand, just over 60% of Malawian respondents saw potential in both sales and profitability in the music industry.

Partly explaining this high overall perception of opportunity could be the fact that the majority of these businesses are owned by musicians and composers as stated earlier. Their task being a more creative role they might tend to perceive more opportunity than agents and producers for whom the impact of piracy might be high on their profit margins.

Perceived opportunity can also be better understood by assessing the respondents perceived challenges in their respective country industry as described in Table 9 . This study went on to find out what respondents thought were the challenges they faced and the extent to which these were a prevalent view both overall and across country.

Table 9 shows that inflation was the most important challenge, followed by lack of sources of finance by all the three countries. The lack of technology to digitise music, lack of access the internet and the role of mobile technology probably is also a significant challenge. Interestingly the challenge in technology was stated to be a particularly important for Ghana and Tanzania. Lastly, the role of disposable income was also a common challenge in all the three countries. Customer demand or consumer taste, is particularly a notable challenge for

Tanzanian businesses as they cater for consumers who now have an increased choice of music from other Swahili speaking surrounding countries e.g. Kenya and Uganda, and other international markets.

Table 9: Challenges faced by entrepreneurs in the music industry

Challenge	**All countries %**	**Ghana %**	**Malawi %**	**Tanzania %**
Ability to digitise the music	50	62	35	49
Inflation	80	60	88	91
Mobile phone technology	58	66	39	66
Disposable income	67	66	49	77
Customer demand	56	44	47	77
Interest rates by lending institutions	33	56	29	11
Internet access	44	56	22	49
Sources of finance	73	51	73	96
Foreign exchange rate	36	63	31	11
Urbanisation	29	39	17	31

Also notable from Table 9 was the fact that Ghana had the highest number of respondents stating that the continuous rise in prices (inflation) was their biggest limitation in this industry. On the other hand Malawi is particularly characterised by the weakest access to up-to-date technology out of the three countries. This could have also shaped their perception of the attractiveness of this industry. Overall, Tanzania seems to enjoy more stable macroeconomic environment in comparison to the other two countries.

The perception and existence of business opportunity is also influenced by the role of governments. Table 10 shows how the respondents perceived government assistance towards the music industry; firstly overall among the three countries, industry then cross-country.

Overall, in all the three countries businesses seemed to be aware of public institutions available to support their industry. However, the degree to which these institutions were prevalent and effective seem to be different among the three countries. The results suggest that Ghana's music industry has better government assistance in terms of support in accessing funding, access to networking activities and existence of government policy to promote the local music industry. On the other hand, Tanzania and Malawi's government support seems to be poor. Malawi is the least supported in all areas, and support to access funding, support of trade associations, and support for mentoring seems to be non-existent. This could therefore explain why Malawians perception of opportunity in their industry was least in comparison to the other two countries.

Table 10: Government assistance

Government assistance in...	All countries %	Ghana %	Malawi %	Tanzania %
Creating awareness of public institutions responsible for music and cultural activities	70	48	66	97
Creating policy for promoting music activities	38	38	4	38
Availability of activities specifically promoting the development of the music industry	13	20	5	11
effort to monitor activity in the music industry	19	33	4	16
Building relationships with contacts in international markets	15	29	2	11
Provision of access to networking initiatives	24	51	4	11
Provision of access to training in skills needed to succeed in the music industry	17	35	2	11
Accessing funding	25	58	0	11
Providing support for mentoring	22	29	0	33
Supporting activities of the trade associations in the music industry	13	21	0	16
Effectiveness in enforcing piracy/copyright regulations	17	33	4	11
Ensuring music supporting businesses are well established	19	35	7	11

To investigate the challenges further an open question was provided and the entrepreneurs were asked to rank the problems that limit their success in the music industry on a scale of 1 to 5 where 1 is the biggest problem. The responses were categorised into seven themes namely: copyright/piracy/fake CDs, competition, corruption, lack of capital/funding, marketing (proper marketing, distribution, promotion, sponsorship) and management. Others were change in customer tastes and inadequate equipment. On aggregate the three most important challenges that emerged were copyright/piracy/fake CDs, competition, bribery and corruption. Analysis showed that the first overwhelming challenge related to copyright issues. Respondents from all 3 countries recognised it as a major problem and out of a total of 116 respondents who listed their first problem, 31% of respondents thought that piracy was their first problem. Similarly out of the 107 respondents who disclosed their second problem 36% agreed that it was their second problem while 17% respondents listed it as their third problem. After copyright issues the next most important challenge was competition. Interestingly the respondents indicated that competition from both foreign and regional music was a problem. Overall 21% respondents indicated that competition was their first problem while 12% others listed it as their second problem. The third challenge related to corruption and bribery on the part of state officials and fraudulent and/or dishonest practices on the part of agents. Overall, 12% respondents cited that corruption from state officials and dishonesty from managers was their number one concern.

With regards to cross country analysis, it was evident from the data that copyright/piracy issues were the challenge to the industry in all 3 countries. However, 58% of the 60 Tanzanian respondents listed it as their first challenge while 62 % of the 58 respondents listed it as their second most important challenge. To the 16 Ghanaians who answered the question, 81% regarded it as their first problem and 42% of 14 respondents regarded it to be the third most important challenge. Among the Malawians 22% of the 48 respondents listed it as their first problem and another 11% of 38 respondents showed it to be their number two problem. Apart from copyright issues, there were cross country differences on the two remaining challenges. Competition was a major challenge in Tanzania as 33% of the 60 respondents listed it as first and another 14% showed it to be their second major problem. To the Tanzanians, the competition came from Western particularly American music and also from regional music from Congo, Kenya, and Uganda . Interestingly, competition was not listed at all by the Ghanaian musicians while only one respondent from Malawi indicated that competition from choirs and gospel musicians was a problem. With regards to corruption, fraud, bribery and dishonesty on the part of agents/sponsors, it was a major problem to the Ghanaian and Tanzanian entrepreneurs. 53% of the 19 Ghanaian respondents indicated that it was their second most important challenge while 29% of 14 respondents cited that was their third most important challenge.

Discussion

The surveys of the music industry in Ghana, Tanzania and Malawi have highlighted the characteristics, challenges and opportunities of the music industry in the three sub-Saharan African countries. The survey showed that the majority of musicians in all three countries are younger, and on aggregate have higher levels of education. The impact of level of formal education towards the entrepreneurial start-up decision has been researched by a number of researchers like Minniti and Bygrave (2003). However, the findings are not conclusive. While Minniti and Bygrave (2003) proposed that formal education may impact on start-up decisions, Nziku (2012) realised that, majority of highly educated Tanzanians were not necessarily more entrepreneurial as most of the educated individuals tend to secure formal employment than being self-employed (see Table 3). The overwhelming majority of firms in the industry in the three sub-Saharan African countries were found to be micro or small, young, sole proprietorships and operate in the informal sector. The dominance of unregistered firms and hence the informal sector in the music industry is not surprising as it confirms the DFID's Commission for Africa (2005) and the World Bank (2005a) assertions that the informal sector dominates sub-Saharan African economies. Given the small sizes and the informal nature of the firms in the industry, it is not surprising that the majority of the entrepreneurs recounted that they were faced with a number of challenges. The key challenges that were identified were: copyright/piracy/fake CDs, inflation, lack of access to formal sources of capital and funding, lower customer demand, inability to digitise music, competition and corruption.

The problems of breaches of copyright and piracy of music were found to be serious problems in Tanzania and Ghana. However, copyright breaches and piracy still remain major challenges to the global music industry (IFPA, 2015). Nonetheless, in Ghana and Tanzania and in most sub-Saharan African countries, the problem has been acute due to the existence of the weak legal systems and their inability to enforce laws and regulations (Schultz and Gelder, 2008; Amoako and Lyon, 2014; Fafchamps, 2004) such as copyright laws. The problems of bribery and corruption on the part of state officials who are supposed to enforce the law and the activities of dishonest managers as cited by entrepreneurs from Ghana and Tanzania may explain why copyright/piracy remains a major challenge to entrepreneurs in the music industry in the two countries. With regards to mitigating copyright/piracy problems, entrepreneurs in the music industry in sub-Saharan Africa may be limited further due to their inability to digitize music and benefit from the downloading and sharing of music which could be an opportunity to enhance the buying of music in the long run (Brown et al, 2001; Mathews 2005; Ryan and Jones, 2009). With regards to competition faced by Tanzanian music entrepreneurs, this could be understood as their music is predominantly composed in Swahili and hence to them, music from Kenya, Uganda, Congo and South Africa threatened their markets. However, in the current era of globalisation competition from regional and global markets are to be expected due to the creation of trading blocs and convergence of consumer tastes (Levitt, 1983). Arguably, firms that do not go international could eventually lose their domestic markets because stronger global competitors may push them aside. The lack of marketing and particularly lack of distributors, sponsors and other agents in the music industry as a major problem listed by the Malawian entrepreneurs is understandable. The widespread piracy through CDs and internet-enabled peer-to-peer sharing of music has undermined the rewards of copyright holders and thereby the traditional players involved in the reproduction and distribution in the music industry (Lewis et al, 2005). Hence there may be a need to re-orientate the value chain of the music industry by devolving power and responsibility to the consumer as suggested by (Bilton, 2007). The plight of the entrepreneurs is compounded by the lack of access to capital and funding as indicated by the Malawian and Ghanaian entrepreneurs. This is not surprising as previous research (e.g. Amoako and Matlay, 2015) has shown the lack of bank finance for SMEs and particularly for start-ups in Ghana and in many other sub-Saharan African countries. This may explain why majority of the entrepreneurs were found to mostly rely on family and friends as well as informal networks for sources for funding. Informal forms of finance remains very important to SMEs in many developing countries. For example, Sheng and Mendes-Da-Silva (2014) show how Chinese entrepreneurs who have emigrated to Brazil rely on their social relations to access informal finance. Nonetheless entrepreneurs reliance on informal sources of capital could also be influenced by the nature of the music industry as suggested by previous studies (e.g. Wilson and Stokes, 2005) that show that the take-up of bank loans and overdrafts in the music industry is low compared to other sectors. Another challenge identified by this study related to the lack of the relevant government policy and support institutions and also musicians lack of knowledge of existing policy and institutions. The none existence of the relevant institutions and the ignorance on the part of the musicians all reveal the absence of an integrated approach that have proved to be critical for entrepreneurship to flourish in the music industry as shown by the Nashville model (Sanjek, 2001). Notwithstanding these challenges, the potential for growth and profitability in the industry were acknowledged by the entrepreneurs and this was confirmed by respondents' willingness to invest in their businesses. The paradox however, is that in spite of the willingness to invest in the firms there was evidence that the respondents did not actively seek for customers. It could therefore be argued that there is the need for a marketing orientation in the industry as marketing and promotion in particular are extremely important in the music industry and more importantly for exporting (Wilson and Stokes, 2005). There is also a need to be more entrepreneurial in the mobilisation of resources as the ability to mobilize resources is key to entrepreneurial behaviour (Shane and Venkataraman, 2000),

Conclusion

This study provides insights into entrepreneurial characteristics, challenges and opportunities in the sub Saharan African music industry. In terms of characteristics, the results showed that;

- There is an existence of a vibrant industry driven by mostly young and educated artists
- The majority of musicians in the three Sub Saharan countries are young, having higher levels of education
- The majority of firms in the industry are micro and small, young, sole proprietorships and they tend to operate in the informal sector

In terms of challenges that these entrepreneurs faced; the results showed that;

- Entrepreneurship in the music industry in the three countries is beset with mainly a lack of intellectual property protection and lack of access to formal sources of funding/capital
- Other challenges faced included competition, corruption, low customer demand, lack of government support and a lack of marketing support.

A cross-country analysis revealed that stiff competition was particularly a major challenge for Tanzanian music entrepreneurs due to Swahili music being produced by musicians in surrounding Swahili-speaking nations e.g. Kenya and Uganda. On the other hand, Ghanaian respondents identified inflation and corruption as their main challenge. Malawian entrepreneurs identified lack of up to date technology and lack of support from government institutions in terms of marketing as their main challenge in this industry.

Notwithstanding these challenges, the potential for growth and profitability in the industry was acknowledged by the entrepreneurs and this was confirmed by respondents' willingness to invest in their businesses. Furthermore, opportunity in the industry would potentially arise from the presence of vibrant music industry which is mostly being spearheaded by young educated artists.

Authors contribute to the literature by drawing on entrepreneurship theories to provide an understanding of the industry and its key players in the three sub Saharan African countries.
These findings also have the following implications for practice and policy. Researchers may draw on this exploratory research to understand the nature of the music industry in other sub Saharan African countries. Public policy and the donor community can draw on the identified challenges and address them to promote entrepreneurship in the industry. Particularly, if the music industry in sub Saharan Africa is to play its role as a tool of socio-economic

development governments and other private sector must appreciate that they can improve the competitiveness of their nations by striving to develop and be effective in the implementation of the intellectual property laws in order to meet the needs of entrepreneurs in the region. Intellectual property protection should include both the production and distribution of musical products.

In addition, governments and other private sector agents should endeavour to build the capacity of both registered as well as unregistered firms in the music industry for example through music associations to educate players in the industry to adopt innovative marketing approaches. The capacity of the entrepreneurs should be built particularly to enable them avail themselves of the opportunities accruing from social media such as YouTube, Spotify, Twitter, Facebook and Instagram in the building of their images and also in promoting and marketing of their music to fans.

Internet based marketing and promotion approaches are extremely important in the music industry and more importantly for exporting (Wilson and Stokes, 2005). Entrepreneurs should be aware of the challenges in the industry and adopt a marketing orientation while exploiting the opportunities available through social media to promote their images and businesses. Furthermore, this study suggests that entrepreneurs' in the music industry should be more entrepreneurial in the mobilisation of resources. This could be achieved through embarking on collaborations based on networks and relationships with customers and other key stakeholders. The network approach could enable them to mobilize resources to facilitate digitization (in order to mitigate the problem of piracy), get access to sources of capital and for their long term survival, go international in order to benefit from the opportunities accruing from globalisation. The study's findings suggests that, there is the need for more research on entrepreneurship in the music industry in sub Saharan Africa in order to facilitate a better understanding of the complex issues that are constraining the development of the industry.

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